Commission (TFC) recommended a multi dimensional restructuring of State Finances, containing, *inter-alia*, various reforms measures. Consequent to acceptance of the recommendations of the Twelfth Finance Commission a scheme "The States Debt Consolidation and Relief Facility (DCRF)" has been evolved and circulated to States. Under the scheme, State Governments are required to submit their own fiscal correction path through a letter of commitment containing various measures to augment revenues and compress expenditure.

(c) The Central Monitoring Committee has not yet been constituted.

(d) So far, Govt. of India has not received any fiscal correction path from State Governments, which outlines these measures.

Loan Council to supervise States' annual borrowings

864. SHRI MURLI DEORA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to set-up any independent body like a loan council to supervise States' annual borrowings from all sources;

(b) if so, the details thereof including the Constitution and functions thereof;

(c) whether the States like the Centre would decide their annual borrowings programme within the framework of their fiscal responsibility laws; and

(d) if so, the action being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) Does not arise.

(c) In order to avail the benefits of debt consolidation and waiver scheme recommended for the States by the Twelfth Finance Commission (TFC), States are required to fulfil certain conditions. These include passing of their Fiscal Responsibility and Budget Management Act with the core provisions recommended by TFC, which *inter alia*, include maintaining the fiscal deficit at the level of 2004-05 in subsequent years of the award

period, keeping in view TFC's recommendations, States' borrowing ceilings would be determined by the Government of India under Article 293(3) of the Constitution.

(d) Government of India has formulated detailed guidelines on the Debt Consolidation and Relief Facility recommended by TFC and these have been circulated to State Governments.

Pension Scheme for commercial banks

†865. SHRI KRIPAL PARMAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Pension Scheme was introduced in the commercial banks in 1993, but owing to the provision of termination of previous services of the employees for unlawful strike, most of the bank staff turned to Provident Fund Scheme instead of the Pension Scheme;

(b) whether it is also a fact that above provision has been withdrawn from Pension Scheme Rules, but bank staff could not submit their acceptance because such option is granted only once; and

(c) if so, whether Government would consider to grant another chance to the bank staff to opt for either of the schemes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Pension as a second retirement benefit, in lieu of CPF, was introduced for the first time in banks pursuant to a settlement between the Indian Banks' Association, (representing the member banks) and the apex level workmen unions on 29.10.1993. In the draft regulations circulated among the employees in 1994, there was no mention regarding forfeiture of pension for participation in strike. Even then, a majority of the employees decided not to opt for pension for various other considerations. The forfeiture clause was for the first time introduced in the pension regulations notified on 29.9.1995. Many employees had exercised their option notwithstanding this forfeiture clause.

The provision relating to forfeiture of past service and consequential pension for participation in strike was later on dropped from the pension regulations. After notification of the pension scheme on 29.9.1995 by the Nationalised Banks and on 26.3.1996 by the Associate Banks of State

†Original notice of the question was received in Hindi.